

Lowell Public Schools

FY27 Budget Context

School Committee



FY27 Context Brief

Purpose

Provide context for School Committee on:

- Revenue
- Cost Drivers
- Structural Context

...of the FY27 Budget

Balanced Budget Framework

Mass Law Requires a Balanced Budget

Primary Revenue Sources:

- Chapter 70 State Aid
- City Cash Contribution



Revenue = Expenses

FY26 vs FY27 Revenue

Key Context

- Chapter 70 funding has grown
- City cash contributions have remained level, limiting flexible local funding.

Source	FY26	FY27	Change
Chapter 70	\$261.5M	\$275.9M	+\$14.5M
City Cash	\$12.0M	\$12.0M	Level
Total	\$273.5M	\$287.9M	+\$14.5M

Required Local Contribution vs. Cash Funding

- FY26: 17.4%
- FY27: 16.4%

Local Contribution Context

Revenue:	FY 26	FY 27 (Anticipated)
Ch. 70	\$ 261,489,114	\$ 275,966,413
City Cash	\$ 12,000,000	\$ 12,000,000
Total Revenue	\$ 273,489,114	\$ 287,966,413
District Contribution	\$ 68,956,678	\$ 73,085,908
Proportion of Cash to MOE	17%	16%

City cash funding **does not** increase with this requirement.

District Spending Pressures

- Approximately 75% of district spending supports salaries and benefits

Major Cost Drivers

Major cost drivers include:

- Salaries and employee benefits
- Special Education services
- Transportation

These costs are largely contractual or legally mandated.

FY26 → FY27 Cost Growth

Key Message

- Cost growth is projected to exceed **new flexible revenue**.
- Much of the new funding **maintains existing services** rather than expanding programs.

Sample Category	Projected Increase
School-based budgets	+\$4.8M
Transportation	+\$2.4M
Employee Benefits	+\$1.6M
Special Education	+\$1.35M

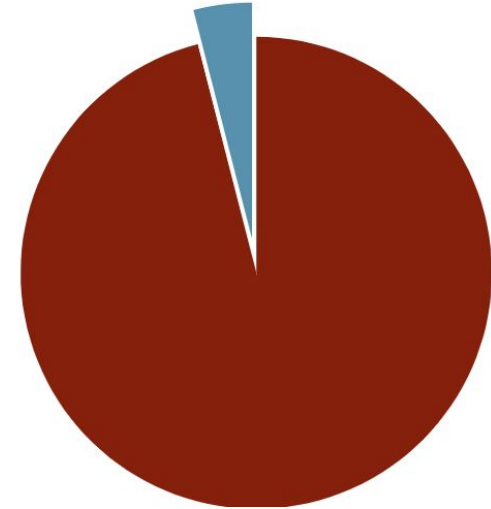
Lowell Public Schools serves:

- 14,400+ students
- 2,500+ employees
- 28 schools

Central Office Context

Central Office Context

● Schools & Ops ● Central Admin.



Year	% of Total Budget
FY26	4.03%
FY27	3.99%

If the budget is increasing, why are we facing difficult decisions?

Where Every Dollar Goes:

- ~75% Salaries and Benefits
- ~10–12% Special Education services
- ~6–7% Transportation
- ~4% Central Office

Budget Growth New Spending

New Revenue (Chapter 70 Increase)



Contractual Salary Increases



Employee Benefits Growth



Transportation Cost Increases



Special Education Obligations



Remaining Flexible Funding

End Result: Minimal discretionary funding remains

Key Takeaways

The FY27 budget will reflect

- **Financial reality**
- **Operational stability**
- **Commitment to student services**

Strategic Outlook

Looking Ahead

The district must continue monitoring several structural risks:

- City funding levels
- Salary and benefits cost volatility
- Transportation costs
- Growth in special education services
- Federal grant sustainability

Continued collaboration with the:

- **City**
- **School Committee**
- **Community**

will be essential moving forward

Guiding Budget Priorities

Lowell Public Schools will continue to prioritize:

- **Protecting classroom instruction**
- **Maintaining equitable school funding**
- **Ensuring legal and fiscal compliance**
- **Preserving long-term financial stability**